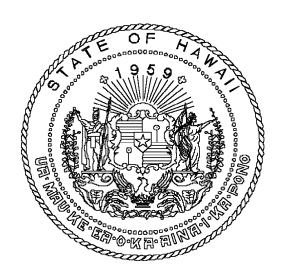
Report to the Twenty-Fourth Legislature Regular Session of 2007

OPERATIONS OF THE FILING OFFICE FOR FINANCING STATEMENTS UNDER THE UNIFORM COMMERCIAL CODE, SECURED TRANSACTIONS (REVISED ARTICLE 9)



Prepared by the

Department of Land and Natural Resources State of Hawaii

in response to §490:9-527, Hawaii Revised Statutes

December 2006

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INTRODUCTION

This report is prepared in compliance with §490:9-527, Hawaii Revised Statutes, on the operations of the Filing Office under the Uniform Commercial Code (UCC), Secured Transactions (Revised Article 9). The Bureau of Conveyances (Bureau) of the Department of Land and Natural Resources has been designated as the State of Hawaii's Filing Office for the purposes of the Revised Article 9.

STATUS

The Bureau has been accepting for filing UCC instruments pursuant to provisions of the Revised Article 9 effective July 1, 2001. During this period, the Bureau has reviewed drafts of Model Rules promulgated by the International Association of Corporate Administrators and rules of other jurisdictions to help in the development of a new set of rules covering the Revised Article 9 of the UCC.

A draft of said rules was initially thought to be ready to be sent to the Department of the Attorney General (AG) for review and approval as to form. However, it was determined that UCC rules and filing procedures for states not initially examined should be reviewed as well. Since search criteria and structure of operations for filing offices differ from state to state, the objective is to try to bring Hawaii's procedures and rules in harmony with all jurisdictions as well as coinciding with the provisions of the Revised Article 9, the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators. The Bureau anticipates having the draft rules ready for review by the AG in January 2007. Upon receiving approval as to form from the AG, the Bureau will then seek authorization from the Board of Land and Natural Resources to take the draft rules out for public hearings.